

Founded in 1852
by Sidney Davy Miller



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September 24, 2008

The Honorable Janet T. Neff
United States District Court
for the Western District of Michigan
401 Federal Building
110 Michigan Street NW
Grand Rapids, MI 49503

RE: Apple Inc. v. Nicholas Woodhams
United States District Court Case No: 1:08-cv-0597

Dear Judge Neff:

I represent Plaintiff Apple Inc. ("Apple") in the above-referenced civil action.

Defense counsel Randall Levine and I appeared before the Court for a Scheduling Conference earlier this month. As you may recall, at that time Mr. Levine and I advised the Court that there is a parallel federal criminal investigation into Defendant Nicholas Woodhams that substantially overlaps with Apple's allegations in this civil action. The parties recognized that the pending criminal investigation posed serious obstacles to Mr. Woodhams' participation in discovery. Mr. Levine and I also advised the Court that the parties planned to explore a possible global resolution of the criminal and civil matters with the United States Attorney's Office. Given the possibility of a resolution, the Court adjourned the Scheduling Conference without entering a scheduling order and directed the parties to provide periodic updates on the status of settlement discussions.

Since the Scheduling Conference, it has become clear that a global resolution is not possible at this point. While Mr. Woodhams remains interested in pursuing such a resolution, after further analysis Apple has determined that it needs to continue its investigation into the extent of Mr. Woodhams' conduct and the damages it believes it has suffered and that settlement discussions would thus be premature at this point.

Because settlement does not appear possible at this point, Apple and Mr. Woodhams agree that the best course of action is to temporarily stay the civil action. Entering such a stay will preserve both Mr. Woodhams' Fifth Amendment rights and his right to defend himself

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against Apple's allegations. Along with this letter, I am submitting a proposed Stipulation and Order staying the civil action for 180 days and directing the parties to advise the Court concerning their positions on a possible continuation of the stay at the expiration of the 180-day period. We ask that the Court enter the order.

If the Court has any questions, please feel free to contact me.

Very truly yours,

Miller, Canfield, Paddock and Stone, P.L.C.

/s/ Kurt P. McCamman
Kurt P. McCamman